

Issue Paper Number 03-015

BOARD OF EQUALIZATION
KEY AGENCY ISSUE

- ☐ Board Meeting
- ☐ Business Taxes Committee
- ☒ Customer Services and
Administrative Efficiency
Committee
- ☐ Legislative Committee
- ☐ Property Tax Committee
- ☐ Other

Amendments to the Rules of Practice

I. Issues

Shall the Board authorize publication of the attached substantive amendments to the Rules of Practice (Exhibit A)?

Shall the Board approve the attached Section 100 Changes to the Rules of Practice (Exhibit D)?

II. Staff Recommendation

Staff recommends that the Board authorize publication of the attached amendments to the Rules of Practice (Exhibit A) and approve the attached Section 100 Changes (Exhibit D).

III. Other Alternative(s) Considered

At two interested parties meetings, staff received comments on first and second drafts of proposed amendments to the Rules of Practice. Many of the suggestions made by interested parties were incorporated into the substantive amendments to the Rules of Practice set forth in Exhibit A. Additional suggestions and comments in opposition to the proposed amendments are addressed in Exhibit C, Interested Party Comments and Staff Responses.

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IV. Background

The Rules of Practice are the hearing procedures applicable to the various tax and fee programs administered by the State Board of Equalization. Periodic review and, when necessary, amendment ensures that the Rules of Practice continue to accurately reflect the hearing procedures used by the Board.

Interest parties meetings regarding draft substantive amendments to the Rules of Practice were held on September 2, 2003 and October 16, 2003. Many of the suggestions made by interested parties were incorporated into the proposed substantive amendments set forth in Exhibit A. After discussions at interested parties meetings, it was determined that certain suggestions for proposed amendments would not be included in this issue paper.¹

After the second interested parties meeting, it was also determined that the request for authorization to publish proposed new Regulation 5075.3 and the proposed addition of subdivision (c) to Regulation 5080, both involving local tax reallocation and district tax redistribution hearings, would be postponed to allow for further discussions between staff and interested parties.

In addition to the substantive amendments set forth in Exhibit A, there are Section 100 Changes to the Rules of Practice that are being presented for Board approval (Exhibit D). The Section 100 Changes in Exhibit D involve revisions of syntax, punctuation or grammar and amendments of statutory authority or references.

V. Staff Recommendation

Staff recommends that the Board authorize publication of the attached substantive amendments to the Rules of Practice (Exhibit A) and approve the attached Section 100 Changes to the Rules of Practice (Exhibit D).

A. Description of the Staff Recommendation

Exhibit B provides a brief description of the substantive amendments set forth in Exhibit A.

B. Pros of the Staff Recommendation

The proposed amendments will update and clarify the hearing procedures used at the Board.

¹ For information regarding proposed amendments that were considered but were not included in this issue paper, refer to the documents prepared for the first and second interested party meetings, which are available on the Board's website.

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C. Cons of the Staff Recommendation

Staff has received interested party comments in opposition to several of the proposed amendments. These comments, along with suggestions for additional amendments to the Rules of Practice, are set forth in Exhibit C.

D. Statutory or Regulatory Change

See Exhibits A and D.

E. Administrative Impact

The proposed amendments will update and clarify the hearing procedures used at the Board.

F. Fiscal Impact

1. Cost Impact

None.

2. Revenue Impact

None.

G. Taxpayer/Customer Impact

The proposed amendments will update and clarify the hearing procedures used at the Board.

H. Critical Time Frames

None.

Prepared by: Legal Department

Current as of: November 18, 2003